

We need to look past distractions to education

By RICHARD S. DAVIS

Contributing Writer

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Richard S. Davis

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The just-completed legislative session is best understood as a preview of coming distractions. Lawmakers teed up campaign themes — tax loopholes, standardized tests, minimum wage — that won't be improved by reduction to bumper-stickers or flyers.

“When you're explaining, you're losing,” political consultants say. Contemporary campaigns are not seminars. They're sound bites and caricature, often masterpieces of misdirection.

That, in part, suggests that we may hear less than we should about the magnitude of the education funding challenge lawmakers will face next January.

In 2012, the state Supreme Court ruled its McCleary decision that the state was not meeting its constitutional obligation to fund basic education. The court found that school districts relied too much on local levies for core operations.

Basic education is a state responsibility; local levies are unpredictable, subject to voter approval and vary widely across the state. The justices cited legislation redefining basic education, passed in 2009 and 2010, and said they would accept the Legislature's own assessment of the funding required to meet those expectations. In 2013 lawmakers put an additional \$982 million toward meeting the McCleary requirement, without raising taxes.

The court recognized progress but expressed dissatisfaction in a Jan. 9 order signed by eight justices. In their second opinion, the justices appeared to raise the bar a bit, citing teacher compensation and the deferral of cost-of-living allowances.

The court said the 2014 session gave lawmakers “an opportunity to take a significant step forward” and required the Legislature to submit a funding plan for each year up to the 2017-18 school year when full funding is to be achieved.

The budget adopted this session adds just under \$60 million toward McCleary. The court will doubtless see that as less than “a significant step forward.”

Math matters. Given the language of the court’s last order, the state’s two-year budget will have to increase basic education funding by \$3.5 billion by the 2017-19 biennium. (Even if lawmakers reject the compensation figures, the estimated requirement is nearly \$2.5 billion.) Roughly half of that should come in the budget session beginning next January.

Revenues are growing, but not fast enough to close the shortfall without substantial cuts in every other part of the budget. Higher education, as a largely discretionary budget item, often takes the hit.

But there’s a widespread consensus that higher education funding needs to grow to keep up with student and workplace demand. Social service funding, especially for health care, has grown rapidly, yet federal and state entitlement requirements make spending hard to control.

Near the end of the session, Senate budget leader Andy Hill, R-Redmond, proposed dedicating for the next 10 years two-thirds of all new money to education (K-12 and higher education). The priority is right, if formulaic. Yet the projected revenue stream won’t meet the court’s highest McCleary standard by 2018, even assuming control of entitlement spending. Protecting higher education adds to the challenge.

House Democrats talked about closing loopholes. But their proposals come nowhere near closing the McCleary shortfall. Loophole prospectors have mined the exemptions list for years. There’s no pot of gold.

The big numbers come by raising sales and business taxes. A half-cent hike in the sales tax raises about \$650 million a year, about what you’d get by raising B&O taxes by nearly 20 percent. No one believes the Legislature will do that or that voters would let it stick if they did.

There’s no easy fix. One alternative with bipartisan support — Republican Sen. Joe Zarelli and Democratic Rep. Ross Hunter independently raised the idea in 2012 — envisioned increasing untapped capacity in the state property tax levy, with offsetting decreases in local school levies. The plan would increase state education funding while reducing districts’ reliance on local levies. It could be revenue neutral or allow districts to seek voter approval for enhanced funding.

In the 2012 gubernatorial campaign, Rob McKenna supported the concept; Jay Inslee opposed it. As deadlines approach, the plan merits consideration.

Between now and the fall elections, there will be a lot of political distractions. Serious school funding plans don't fit on postcards. But we should expect our legislators to understand the options and to explain to us just what they plan to do.

Bainbridge Island resident Richard S. Davis is president of the Washington Research Council. Email him at rsdavis@simeonpartners.com.

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